IN THE UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF TEXAS SAN ANTONIO DIVISION

| IN RE: | § 8 |
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| DEEPROOT CAPITAL MANAGEMENT, LLC et al., 1 | § BANKRUPTCY No. 21-51523-MMP § |
| DEBTORS | § \$ JOINTLY ADMINISTERED \$ |
| JOHN PATRICK LOWE, CHAPTER 7 TRUSTEE FOR THE BANKRUPTCY ESTATE OF DEEPROOT CAPITAL MANAGEMENT, LLC ET AL., PLAINTIFF | § § § § Adv. Proc. No § |
| V. PAMELA HOPMAN, PGH ADVISORS, LLC, MP WEALTH MANAGEMENT, LLC, THE HOPMAN GROUP, LLC, | \$ \$ \$ \$ |
| AND MARICO TIPPETT, DEFENDANTS | § § |

PLAINTIFF'S ORIGINAL COMPLAINT

Plaintiff, John Patrick Lowe, Chapter 7 Trustee ("Plaintiff" or "Trustee") for the jointly administered Bankruptcy Cases of deeproot Capital Management, LLC et al. ("deeproot")² hereby files this Original Complaint, respectfully showing the Court as follows:

¹ The jointly administered chapter 7 cases, along with their respective case numbers and the last four digits of each Debtor's federal tax identification number, are: In Re: Policy Services, Inc. 21-51513 (2864), In Re: Wizard Mode Media, LLC, 21-51514 (3205), In Re: deeproot Pinball LLC, 21-51515 (0320), In Re: deeproot Growth Runs Deep Fund, LLC, 21-51516 (8046), In Re: deeproot 575 Fund, LLC, 21-51517 (9404), In Re: deeproot 3 Year Bonus Income Debenture Fund, LLC, 21-51518 (7731), In Re: deeproot Bonus Growth 5 Year Debenture Fund, LLC, 21-51519 (9661), In Re: deeproot Tech LLC, 21-51520 (9043), In Re: deeproot Funds LLC, 21-51521 (9404), In Re: deeproot Studios LLC, 21-51522 (6283), and In Re: deeproot Capital Management, LLC, 21-51523 (2638) (collectively, the "Bankruptcy Cases").

² The debtors—Policy Services, Inc., Wizard Mode Media, LLC, deeproot Pinball LLC, deeproot Growth Runs Deep Fund, LLC, deeproot 575 Fund, LLC, deeproot 3 Year Bonus Income Debenture Fund, LLC, deeproot BonusGrowth

I. PRELIMINARY STATEMENT

- 1. From late 2012 to mid-2021, Robert J. Mueller ("Mueller"), the sole principal and manager of the Debtors, orchestrated a Ponzi scheme wherein he persuaded investors (typically retirees) to cash out annuities and individual retirement accounts and invest the funds in Mueller's various investment funds, including but not limited to the deeproot BonusGrowth 5 Year Debenture Fund, LLC (the "5 Year Debenture Fund"), the deeproot 575 Fund, LLC (the "575 Fund") and deeproot Growth Runs Deep Fund, LLC (the "dGRD Fund" and collectively the "Subsidiary Funds"). Beginning in 2012, the deeproot Entities offered and sold life settlements. However, after the Texas Supreme Court's 2015³ decision holding that life settlements constituted securities under the Texas Securities Act, the deeproot Entities began to offer and sell debenture bonds. Investors would be located through insurance agents, wealth advisors, and other financial professionals (the "Finders"). The vast majority of the Finders were not licensed to sell securities as broker-dealers or registered investment advisors. Monies invested in the Subsidiary Funds were eventually transferred to deeproot Funds, LLC before being paid out to investors in the form of interest payments, dividend payments, or withdrawals of principal. deeproot Funds, LLC was the parent of the Subsidiary Funds, and Policy Services, Inc. was the parent of deeproot Funds, LLC.
- 2. On August 20, 2021, a few weeks prior to the filing of the Debtors' bankruptcy cases, the United States Securities and Exchange Commission ("SEC") initiated a civil action against Mueller and several of his entities for violations of federal securities laws.⁴ As a result of that investigation, it became clear that Mueller not only funneled money to his other related entities

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⁵ Year Debenture Fund, LLC, deeproot Tech LLC, deeproot Funds, LLC, deeproot Studios, LLC, and deeproot Capital Management, LLC—are referred to herein as "**Debtors**" or "**deeproot Entities**."

³ Life Partners, Inc. v. Arnold, 464 S.W.3d 660, 667 (Tex. 2015).

⁴ Securities and Exchange Commission v. Robert J. Mueller et al., Case No. 5:21-cv-00785-XR (W.D. Tex.).

from the investment funds and used investors' money to prop up his ultimately unsuccessful pinball business, but Mueller also used new investor money to pay moneys owed to earlier investors, making the deeproot Entities a Ponzi scheme. Almost all of the deeproot Entities' investors lost every dollar they invested.

3. The Finders contracted with deeproot Funds, LLC and received finders' fees and commissions in exchange for finding new investors into the deeproot Entities' Ponzi scheme. The commissions and fees received by Finders that were not registered as investment advisors or broker-dealers are contrary to securities laws and these unregistered finders are liable to investors and creditors of the deeproot Entities.

II. PARTIES

- 4. Plaintiff is the duly qualified and acting Chapter 7 Trustee of the Debtors' jointly administered Bankruptcy Cases. The Trustee brings this adversary proceeding pursuant to Federal Rule of Bankruptcy Procedure 7001, 28 U.S.C. § 157, and all other applicable law.
- 5. Defendant Pamela Hopman ("**Hopman**") is an individual residing in Tucson, Arizona. She may be served via United States First Class Mail at 4901 N Sabino Valley Place, Tucson, Arizona 85750, or wherever else she may be found.
- 6. Defendant PGH Advisors, LLC ("PGH") is an Arizona limited liability company with its principal place of business in Tucson, Arizona. PGH may be served with process via United States First Class Mail to its Registered Agent, Pamela Hopman, at 3561 E Sunrise Drive, Suite 131, Tucson, Arizona 85718, or wherever else she or anyone authorized to accept service on its behalf may be found may be found.
- 7. Defendant MP Wealth Management, LLC ("MP Wealth Management") is an Arizona limited liability company with its principal place of business in Tucson, Arizona. It may

be served with process via United States First Class Mail to its Registered Agent, Pamela Hopman, at 3561 E Sunrise Drive, Tucson, Arizona 85718, or wherever else she or anyone authorized to accept service on its behalf may be found.

- 8. Defendant The Hopman Group, LLC (the "**Hopman Group**") is an Arizona limited liability company with its principal place of business in Tucson, Arizona. It may be served with process via United States First Class Mail to its Registered Agent, Pamela Hopman, at 6969 E Sunrise Drive, #100, Tucson, Arizona 85750, or wherever else she or anyone authorized to accept service on its behalf may be found.
- 9. Defendant MaRico Tippett ("**Tippett,**" and, collectively with Hopman, PGH, MP Wealth Management, and the Hopman Group, "**Defendants**") is an individual residing in Tucson, Arizona. He may be served via United States First Class Mail to 8110 S Houghton Road, Suite 158, Tucson, Arizona 85747, or wherever else he may be found.

III. JURISDICTION AND VENUE

- 10. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 1331 and 1334 and Fed. R. Bankr. P. 7001. This adversary proceeding constitutes a core proceeding pursuant to 28 U.S.C. § 157. To the extent necessary, this Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367.
- 11. To the extent the reference is withdrawn or the Bankruptcy Court is unable to enter a final judgment, Plaintiff requests the Bankruptcy Court be permitted and assigned to preside over all pre-trial matters, including the issuance of findings of fact and conclusions of law.
- 12. Venue in this adversary proceeding is proper in this Court pursuant to 28 U.S.C. § 1409.

IV. FACTS

13. Mueller served as the principal of all of the deeproot Entities and orchestrated a Ponzi scheme wherein he offered and sold securities to individuals for investment in pooled investment funds. Mueller then used the invested money to fund his other business ventures, including his pinball machine business. He also used the money to fund his lavish lifestyle. Crucially, Mueller used later investors' money to pay fictional returns to earlier investors.

A. The deeproot Entities and the Ponzi Scheme

- 14. A Ponzi scheme is "a fraudulent investment scheme in which money contributed by later investors generates artificially high dividends or returns for the original investors, whose example attracts even larger investments." BLACK'S LAW DICTIONARY, Ponzi scheme (11th ed. 2019). A Ponzi scheme operates by using money from new investors to pay earlier investors, typically "without any operation or revenue-producing activity other than the continual raising of new funds." *Id.* "[A] Ponzi scheme is, as a matter of law, insolvent from its inception." *Janvey v. Alguire*, 647 F.3d 585, 597 (5th Cir. 2011).
- 15. The deeproot Entities commenced operations in 2012. The first entity formed was Policy Services, Inc. deeproot Funds, LLC is a direct subsidiary of Policy Services, Inc. The Subsidiary Funds were formed as direct subsidiaries of deeproot Funds, LLC. A review of the deeproot Entities' QuickBooks files and other financial books and records revealed that all of the Finders that contracted to find investors for deeproot Funds, LLC, were paid commissions and fees from Policy Services, Inc.
- 16. Policy Services, Inc. and its subsidiaries never received an initial equity investment, and the deeproot Entities were all insolvent as of inception in 2012 and continued to operate at a loss. The deeproot Entities gave the appearance of profitability, which Mueller used to entice new

investors and obtain new money from investors. The deeproot Entities offered investments at higher-than-market levels of return—for example, deeproot BonusGrowth 5 Year Debenture Fund, LLC's five-year debenture bonds were offered for a 7% return in 2014, which was nearly seven times more than the national rate for five-year debenture bonds at the time, according to data available from the Board of Governors of the Federal Reserve. *See* Exhibit A.

- There was no recorded capital investment on the balance sheet, and disbursements to Mueller and others were improperly recorded as assets rather than expenses, further boosting the appearance of profitability. After recharacterizing the disbursements as expenses, the equity for Policy Services, Inc. was \$(1,490,187) for the year ending on December 31, 2013, and \$(423,785) for the year ending on December 31, 2012. Policy Services and its subsidiaries had minimal revenue and had no net income as of at least December 31, 2012. Policy Services, Inc. continued to operate at a loss from the time of its inception and all of the deeproot Entities remained insolvent until filing for bankruptcy on December 9, 2021 ("Petition Date").
- 18. Since there was no source of revenue, the deeproot Entities relied on newly invested money to fund operations and make payments to earlier investors. From 2013 until 2021, deeproot Funds, LLC used new investor money to pay interest and dividends to earlier investors. For example, during the final three years of the deeproot Entities' operation, the following payments were made: (1) in 2019, deeproot Funds, LLC received \$18,300,190.00 from new investors and used \$1,074,885.00 to previous investors; (2) in 2020, deeproot Funds, LLC received \$7,093,055 from new investors and used \$1,333,554.00 to pay previous investors; and (3) in 2021, deeproot Funds, LLC received \$10,827,147 from new investors and used \$918,391.00 to pay previous investors.

- 19. Based upon the books and records of deeproot Funds, LLC from 2019 and 2021, the entity only generated \$865 in revenue during the nine years of its existence. Policy Services, Inc. had only minimal revenue from the time of its inception in 2012.
- 20. On December 9, 2021, the deeproot Entities each filed for relief under title 11 of the United States Code. The Bankruptcy Cases were ordered to be jointly administered under the lead case *In re: deeproot Capital Management*, *LLC*, 21-51523.
- 21. On or about December 21, 2021, John Patrick Lowe was appointed as Chapter 7
 Trustee of the Debtors' jointly administered Bankruptcy Cases.

B. Finders

- 22. As the principal of the deeproot Entities, Mueller (through deeproot Funds, LLC) contracted with Finders all across the country to locate new investors and raise money for the deeproot Entities. A securities broker-dealer is defined as "any person engaged in the business of effecting transactions for the account of others." 15 U.S.C. § 78c. Broker-dealers are required to register as such with the SEC. 15 U.S.C. § 78o. Prior to 2015, the deeproot Entities offered and sold life settlements. After the Texas Supreme Court's 2015 decision holding that life settlements are securities, the deeproot Entities offered securities in the form of debenture bonds. ⁵
- 23. The vast majority of the deeproot Entities' contracted Finders were unregistered as broker-dealers despite the fact that they engaged in transactions to facilitate the sale of securities, including debenture bonds and life settlements.⁶ The Finders that were registered investment

⁵ The deeproot Entities obtained Form D exemptions from the SEC to offer these securities.

⁶ Courts have recognized a so-called "finder's exception," which permits a person to "perform a narrow scope of activities without triggering the b[r]oker/dealer registration requirements," such as "[m]erely bringing together the parties to transactions, even those involving the purchase and sale of securities, is not enough" to warrant broker registration. S.E.C. v. Kramer, 778 F. Supp. 2d 1320, 1336 (M.D. Fla. 2011) (quoting Salamon v. Teleplus Enter., Inc., No. 05-2058 (WHW), 2008 WL 2277094, at *8 (D. N.J. 2008), and Apex Global Partners, Inc. v. Kaye/Bassman Intern. Corp., No. 3:09-cv-637-M, 2009 WL 2777869, at *3 (N.D. Tex. Aug. 31, 2009)). The most commonly cited factors as to whether someone was acting as a broker with respect to a given transaction are: "whether a person (1)

advisors or broker-dealers failed to conduct the requisite due diligence into the financial condition of the deeproot Entities when making investment recommendations to clients. The deeproot Entities relied on these Finders to bring in a steady flow of money because there was no other source of revenue for the deeproot Entities other than newly invested money because the deeproot Entities continuously operated at a loss.

24. Monies invested with one of the Subsidiary Funds were eventually transferred to deeproot Funds, LLC, which was the principal entity that handled payments to investors, before being transferred elsewhere. The Finders typically entered into contracts with deeproot Funds, LLC to be paid fees (the "Finder Fees") based off of the amount of money invested in one of the deeproot Entities by new investors. The Finder Fees were paid to Finders from Policy Services, Inc. regardless of where the new investor invested the monies. Generally, Finders Fees were paid based on the below investment levels. The transaction-based Finders Fees are directly tied to the amount of the investment.

works as an employee of the issuer, (2) receives a commission rather than a salary, (3) sells or earlier sold the securities of another issuer, (4) participates in negotiations between the issuer and investor, (5) provides either advice or a valuation as to the merit of an investment, and (6) actively (rather than passively) finds investors." *Id.* at 1334. "[T]ransaction-based compensation" is one of the hallmarks of being a broker-dealer. *Kramer*, 778 F. Supp. 2d at 1336 (citing Cornhusker Energy Lexington, LLC v. Prospect St. Ventures, 2006 WL 2620985, at *6 (D. Neb. 2006).

- The Fee for the 575 Periodic election ('the 575-P') shall be calculated as \$7,000.00 (the 575-P base rate) for each \$100,000.00 of principal.
- ii. The Fee for all other Securities shall be calculated as \$8,000.00 (base rate) for the first \$100,000.00 of principal, and an additional \$500.00 (to the previous incremental fee amount) enhancement for each additional \$100,000.00 of principal invested.
- iii. Any principal that does not give rise to a consideration of a fee <u>may</u> be paid at a later time as *hanging* surplus, as provided in (c) below.
- iv. Example #1: if an Offeree invests \$125,000.00, the Fee would be \$7,000.00 for the 575-P, or \$8,000.00 for all other Securities; with a potential hanging surplus of \$25,000.
- Example #2: if an Offeree invests \$286,000.00, the Fee would be \$14,000.00 for the 575-P, or \$16,500.00 [\$8,000 + \$8,500] for all other Securities; with a potential hanging surplus of \$86,000.
- vi. Example #3: if an Offeree invests \$499,999.99 the Fee would be \$28,000.00 for the 575-P, or \$35,000.00 [\$8,000 + \$8,500 + \$9,000 + \$9,500] for all other Securities; with a potential hanging surplus of \$99,999.99.

a. Finder Agreements with Defendants

- 25. From March 24, 2016 to March 16, 2020, PGH received \$776,634.51 from Policy Services, Inc. (the "PGH 544 Transfers"). A true and correct copy of Policy Services, Inc.'s QuickBooks records showing the PGH 544 Transfers is attached hereto as Exhibit B. The QuickBooks records also show that the PGH 544 Transfers were booked as both Finders Fees and Commission Expenses. *Id*.
- 26. During the four years preceding Petition Date, PGH received \$452,084.51 from Policy Services, Inc. (the "PGH 544 CF Transfers"). A true and correct copy of Policy Services, Inc.'s QuickBooks records showing the PGH 544 CF Transfers is attached hereto as Exhibit C.
- 27. During the two years preceding Petition Date, PGH received \$20,611.00 from Policy Services, Inc. (the "PGH 548 Transfers"). A true and correct copy of Policy Services, Inc.'s QuickBooks records showing the PGH 548 Transfers is attached hereto as Exhibit D.
- 28. During the two years preceding Petition Date, MP Wealth Management received \$30,500.00 from Policy Services, Inc. (the "MP Wealth Management Transfers"). A true and correct copy of Policy Services, Inc.'s QuickBooks records showing the MP Wealth Management Transfers is attached hereto as Exhibit E.

- 29. Based on the records available from the Arizona Corporation Commission, Hopman is the principal of PGH, the Hopman Group, and MP Wealth Management. True and correct copies of the Arizona Corporation Commission records for PGH, the Hopman Group, and MP Wealth Management are attached hereto as Exhibits F, G, and H, respectively.
- 30. A review of the Debtors' books and records revealed that Hopman executed numerous Finder Agreements with deeproot Funds, LLC. Specifically, she signed the following agreements: three (3) Standard Four Month Finder Agreements on behalf of PGH (the "PGH Finder Agreements"); one (1) Standard Four Month Finder Agreement on behalf of MP Wealth Management; and one (1) Standard Six Month Finder Agreement on behalf of MP Wealth Management (the "MP Wealth Finder Agreements"). Hopman also executed nine (9) Standard Four Month Finder Agreements apparently in her individual capacity (the "Hopman Finder Agreements"). MaRico Tippett executed nine (9) Standard Four Month Finder Agreement on behalf of the Hopman Group (the "Hopman Group Finder Agreements" and, collectively with the PGH Finder Agreements, the MP Wealth Finder Agreements, the Hopman Finder Agreements, the "Finder Agreements"). The Finder Agreements provided that the Defendants would receive Finders Fees for locating new investors for the Subsidiary Funds.
- 31. Hopman and Tippett are registered investment advisors. PGH is a registered investment firm. MP Wealth Management and the Hopman Group are unregistered firms.

V. CAUSES OF ACTION

- 32. The Trustee brings this adversary proceeding to recover these fraudulently transferred funds for the benefit of creditors of Policy Services, Inc.
 - 33. Paragraphs 1 through 31 are incorporated herein by reference.

<u>Count 1 – Avoidance of Fraudulent Transfer under 11 U.S.C. §§ 548(a)(1)(A) (PGH) (Actual Fraud)</u>

- 34. Pursuant to 11 U.S.C. § 548(a)(1)(A), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to PGH during the two years prior to Petition Date, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 35. The PGH 548 Transfers in the amount of \$20,611.00 were made within the two years prior to Petition Date. Exhibit D. The PGH 548 Transfers constitute a transfer of Policy Services, Inc.'s interest in property. The PGH 548 Transfers were not made in exchange for adequate consideration for Debtor Policy Services, Inc.
- 36. The PGH 548 Transfers were made with an actual intent to hinder, delay or defraud the creditors of Debtor Policy Services, Inc., as evidenced by the existence of a Ponzi scheme wherein interest and dividend payments were made to earlier investors from new investor money.
- 37. Debtor Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the PGH 548 Transfers or became insolvent as a result of the PGH 548 Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.
 - 38. There was no capital infusion at the time Policy Services, Inc. was created.

39. The PGH 548 Transfers constituted fraudulent transfers under 11 U.S.C. §548(a)(1)(A), such that the Trustee is entitled to a judgment in the amount of \$20,611.00 on behalf of Debtor Policy Services, Inc. to recover the PGH 548 Transfers from PGH.

<u>Count 2 – Avoidance of Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(B) (PGH) (Constructive Fraud)</u>

- 40. Pursuant to 11 U.S.C. § 548(a)(1)(B), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to PGH during the two years prior to Petition Date, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 41. The PGH 548 Transfers in the amount of \$20,611.00 occurred within two years prior to Petition Date. Exhibit D. The PGH 548 Transfers constitute a transfer of Policy Services, Inc.'s interest in property. The PGH 548 Transfers were not made in exchange for adequate consideration for Debtor Policy Services, Inc.
- 42. Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the PGH 548 Transfers or became insolvent as a result of the PGH 548 Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.
 - 43. There was no capital infusion at the time Policy Services, Inc. was created.
- 44. Policy Services, Inc. did not receive reasonably equivalent value in exchange for the PGH 548 Transfers.

45. The PGH 548 Transfers constituted fraudulent transfers under 11 U.S.C. §548(a)(1)(B), such that the Trustee is entitled to a judgment in the amount of \$20,611.00 on behalf of Debtor Policy Services, Inc. to recover the PGH 548 Transfers from PGH.

Count 3 – Avoidance of Fraudulent Transfer under 11 U.S.C. § 544 and the Texas Uniform Fraudulent Transfer Act (Tex. Bus. & Com. Code § 24.005(a)(1)) (PGH) (TUFTA Actual Fraud)

- 46. Pursuant to 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(1), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to PGH during the applicable time period, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 47. The PGH 544 Transfers in the amount of \$776,634.51 took place between March 24, 2016 and March 16, 2020. Exhibit B. The PGH 544 Transfers constitute transfers of Debtor Policy Services, Inc.'s interest in property.
- 48. The PGH 544 Transfers were made with an actual intent to hinder, delay or defraud Debtor Policy Services, Inc.'s creditors. The deeproot Entities were operated as a Ponzi scheme in which interest and dividend payments to earlier investors were paid using new investor money, thus paying fictitious profits for earlier investors.
- 49. Debtor Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the PGH 544 Transfers or became insolvent as a result of the PGH 544 Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.

- 50. There was no capital infusion at the time Policy Services, Inc. was created.
- 51. Policy Services, Inc. had at least one outstanding creditor at the time of each of the PGH 544 Transfers, or such creditor's claim arose within a reasonable time after the PGH 544 Transfers. Proof of Claim No. 145-1 of the Policy Services, Inc. Claims Register filed by creditor Jill Ellis reflecting a claim dating back to March 25, 2013 evidenced by a life settlement certificate purchased on the same date. Proof of Claim No. 145-1 remains unpaid.
- 52. Pursuant to Tex. Bus. & Com. Code § 24.010(a)(1), the Trustee brings this action within one year of the date Trustee discovered or could reasonably have discovered the PGH 544 Transfers. The PGH 544 Transfers constituted fraudulent transfers under 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(1), such that the Trustee is entitled to a judgment in the amount of \$776,634.51 to recover the PGH 544 Transfers from PGH.

Count 4 – Avoidance of Fraudulent Transfer under 11 U.S.C. § 544 and the Texas Uniform Fraudulent Transfer Act (Tex. Bus. & Com. Code § 24.005(a)(2)) (PGH) (TUFTA Constructive Fraud)

- 53. Pursuant to 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(2), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to PGH during the applicable time period, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 54. The PGH 544 CF Transfers in the amount of \$452,084.51 took place within the four years preceding Petition Date. <u>Exhibit C</u>. The PGH 544 CF Transfers constitute transfers of Debtor Policy Services, Inc.'s interest in property.
- 55. The PGH 544 CF Transfers were not made in exchange for adequate consideration for Debtor Policy Services, Inc.
- 56. Debtor Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the PGH 544 CF Transfers or became insolvent as a result of the PGH 544 CF Transfers, {00602044;1}

in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.

- 57. There was no capital infusion at the time Policy Services, Inc. was created.
- 58. Policy Services, Inc. had at least one outstanding creditor at the time of each of the PGH 544 CF Transfers, or such creditor's claim arose within a reasonable time after the PGH 544 CF Transfers. Proof of Claim No. 145-1 of the Policy Services, Inc. Claims Register filed by creditor Jill Ellis reflecting a claim dating back to March 25, 2013, evidenced by a life settlement certificate purchased on the same date. Proof of Claim No. 145-1 remains unpaid.
- 59. The PGH 544 CF Transfers constituted fraudulent transfers under 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(1), such that the Trustee is entitled to a judgment in the amount of \$452,084.51 to recover the PGH 544 CF Transfers from PGH.

Count 5 – Avoidance of Fraudulent Transfer under 11 U.S.C. §§ 548(a)(1)(A) (MP Wealth Management) (Actual Fraud)

- 60. Pursuant to 11 U.S.C. § 548(a)(1)(A), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to MP Wealth Management during the two years prior to Petition Date, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 61. The MP Wealth Management Transfers in the amount of \$30,500.00 were made within the two years prior to Petition Date. Exhibit E. The MP Wealth Management Transfers

constitute a transfer of Policy Services, Inc.'s interest in property. The MP Wealth Management Transfers were not made in exchange for adequate consideration for Debtor Policy Services, Inc.

- 62. The MP Wealth Management Transfers were made with an actual intent to hinder, delay or defraud the creditors of Debtor Policy Services, Inc., as evidenced by the existence of a Ponzi scheme wherein interest and dividend payments were made to earlier investors from new investor money.
- 63. Debtor Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the MP Wealth Management Transfers or became insolvent as a result of the MP Wealth Management Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.
 - 64. There was no capital infusion at the time Policy Services, Inc. was created.
- 65. The MP Wealth Management Transfers constituted fraudulent transfers under 11 U.S.C. §548(a)(1)(A), such that the Trustee is entitled to a judgment in the amount of \$30,500.00 on behalf of Debtor Policy Services, Inc. to recover the MP Wealth Management Transfers from MP Wealth Management.

<u>Count 6 – Avoidance of Fraudulent Transfer under 11 U.S.C. § 548(a)(1)(B) (MP Wealth Management) (Constructive Fraud)</u>

66. Pursuant to 11 U.S.C. § 548(a)(1)(B), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to MP Wealth Management during

the two years prior to Petition Date, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.

- 67. The MP Wealth Management Transfers in the amount of \$30,500.00 occurred within two years prior to Petition Date. Exhibit E. The MP Wealth Management Transfers constitute a transfer of Policy Services, Inc.'s interest in property. The MP Wealth Management Transfers were not made in exchange for adequate consideration for Debtor Policy Services, Inc.
- 68. Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the MP Wealth Management Transfers or became insolvent as a result of the MP Wealth Management Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.
 - 69. There was no capital infusion at the time Policy Services, Inc. was created.
- 70. Policy Services, Inc. did not receive reasonably equivalent value in exchange for the MP Wealth Management Transfers.
- 71. The MP Wealth Management Transfers constituted fraudulent transfers under 11 U.S.C. §548(a)(1)(B), such that the Trustee is entitled to a judgment in the amount of \$30,500.00 on behalf of Debtor Policy Services, Inc. to recover the MP Wealth Management Transfers from MP Wealth Management.

Count 7 – Avoidance of Fraudulent Transfer under 11 U.S.C. § 544 and the Texas Uniform Fraudulent Transfer Act (Tex. Bus. & Com. Code § 24.005(a)(1)) (MP Wealth Management) (TUFTA Actual Fraud)

- 72. Pursuant to 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(1), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to MP Wealth Management during the applicable time period, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 73. The MP Wealth Management Transfers in the amount of \$30,500.00 took place within the four years prior to Petition Date. <u>Exhibit E</u>. The MP Wealth Management Transfers constitute transfers of Debtor Policy Services, Inc.'s interest in property.
- 74. The MP Wealth Management Transfers were made with an actual intent to hinder, delay or defraud Debtor Policy Services, Inc.'s creditors. The deeproot Entities were operated as a Ponzi scheme in which interest and dividend payments to earlier investors were paid using new investor money, thus paying fictitious profits for earlier investors.
- 75. Debtor Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the MP Wealth Management Transfers or became insolvent as a result of the MP Wealth Management Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.
 - 76. There was no capital infusion at the time Policy Services, Inc. was created.
- 77. Policy Services, Inc. had at least one outstanding creditor at the time of each of the MP Wealth Management Transfers, or such creditor's claim arose within a reasonable time after {00602044;1}

the MP Wealth Management Transfers. Proof of Claim No. 145-1 of the Policy Services, Inc. Claims Register filed by creditor Jill Ellis reflecting a claim dating back to March 25, 2013 evidenced by a life settlement certificate purchased on the same date. Proof of Claim No. 145-1 remains unpaid.

78. Pursuant to Tex. Bus. & Com. Code § 24.010(a)(1), the Trustee brings this action within four years of the MP Wealth Management Transfers. The MP Wealth Management Transfers constituted fraudulent transfers under 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(1), such that the Trustee is entitled to a judgment in the amount of \$30,500.00 to recover the MP Wealth Management Transfers from MP Wealth Management.

Count 8 – Avoidance of Fraudulent Transfer under 11 U.S.C. § 544 and the Texas Uniform Fraudulent Transfer Act (Tex. Bus. & Com. Code § 24.005(a)(2)) (MP Wealth Management) (TUFTA Constructive Fraud)

- 79. Pursuant to 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(2), the Trustee files this complaint seeking to avoid fraudulent transfers of property of Policy Services, Inc. to MP Wealth Management during the applicable time period, and for damages against the fraudulent transferees of Policy Services, Inc. during the applicable time period.
- 80. The MP Wealth Management Transfers in the amount of \$30,500.00 took place within the four years preceding Petition Date. Exhibit E. The MP Wealth Management Transfers constitute transfers of Debtor Policy Services, Inc.'s interest in property.
- 81. The MP Wealth Management Transfers were not made in exchange for adequate consideration for Debtor Policy Services, Inc.
- 82. Debtor Policy Services, Inc. was insolvent at the time of its creation and at the time of each of the MP Wealth Management Transfers or became insolvent as a result of the MP Wealth Management Transfers, in that (a) the sum of Policy Services, Inc.'s debts were greater than all of Policy Services, Inc.'s assets at a fair valuation; (b) Policy Services, Inc. was engaging in or about {00602044;1}

to engage in a business or transaction for which Policy Services, Inc.'s remaining assets were unreasonably small in relation to the business or transaction; or (c) Policy Services, Inc. was intending to incur, or believed or reasonably should have believed that it would incur debts beyond its ability to pay such debts as they became due.

- 83. There was no capital infusion at the time Policy Services, Inc. was created.
- 84. Policy Services, Inc. had at least one outstanding creditor at the time of each of the MP Wealth Management Transfers, or such creditor's claim arose within a reasonable time after the MP Wealth Management Transfers. Proof of Claim No. 145-1 of the Policy Services, Inc. Claims Register filed by creditor Jill Ellis reflecting a claim dating back to March 25, 2013, evidenced by a life settlement certificate purchased on the same date. Proof of Claim No. 145-1 remains unpaid.
- 85. The MP Wealth Management Transfers constituted fraudulent transfers under 11 U.S.C. § 544 and Tex. Bus. & Com. Code § 24.005(a)(1), such that the Trustee is entitled to a judgment in the amount of \$30,500.00 to recover the MP Wealth Management Transfers from MP Wealth Management.

Count 9 – Recovery of Avoided Transfers Pursuant to 11 U.S.C. § 550 and the Texas Uniform Fraudulent Transfer Act (Tex. Bus. & Com. Code § 24.005(a)(1)) (All Defendants)

- 86. PGH was the initial transferee of the PGH 548 Transfers, the PGH 544 Transfers, and the PGH 544 CF Transfers.
- 87. The Trustee is entitled to recover from PGH, or any immediate or mediate transferee of PGH, the PGH 548 Transfers, the PGH 544 Transfers, the PGH 544 CF Transfers, or the value of the PGH 548 Transfers, the PGH 544 Transfers, the PGH 544 CF Transfers, along with prejudgment and post-judgment interest, pursuant to section 550 of the Bankruptcy Code and section 24.009(b) of the Texas Business and Commerce Code.

Count 10 – Recovery of Avoided Transfers Pursuant to 11 U.S.C. § 550 and the Texas Uniform Fraudulent Transfer Act (Tex. Bus. & Com. Code § 24.005(a)(1)) (All Defendants)

- 88. MP Wealth Management was the initial transferee of the MP Wealth Management Transfers.
- 89. The Trustee is entitled to recover from MP Wealth Management, or any immediate or mediate transferee of MP Wealth Management, the MP Wealth Management Transfers, or the value of the MP Wealth Management Transfers, along with prejudgment and post-judgment interest, pursuant to section 550 of the Bankruptcy Code and section 24.009(b) of the Texas Business and Commerce Code

Count 11 – Recovery of Attorneys' Fees and Costs

- 90. The Trustee has been forced to incur attorneys' fees and costs in connection with the filing and prosecution of this Complaint.
- 91. Pursuant to 11 U.S.C. § 544 and section 24.013 of the Texas Business and Commerce Code, the Court may award costs and reasonable attorneys' fees in connection with a proceeding brought under the Texas Uniform Fraudulent Transfer Act. The Trustee hereby requests that any judgment include an award of the costs and attorneys' fees incurred by the Trustee in connection with prosecuting this Complaint.
- 92. Prior to filing suit, the Trustee has made demand on the Defendants. The demand has not been met. All conditions precedent to filing suit have been satisfied.
- 93. Furthermore, the Trustee requests an award for such attorneys' fees and costs incurred in the filing and prosecution of this Complaint to the extent allowed under the Bankruptcy Code and Texas law. *See* 11 U.S.C. §§ 105(a), 544, 550(a), and Tex. Bus. & Com. Code § 24.013.

PRAYER

WHEREFORE, JOHN PATRICK LOWE, Chapter 7 Trustee for the jointly administered Bankruptcy case of deeproot Capital Management, LLC, prays for judgment in favor of the Chapter 7 Trustee on all claims and relief sought herein, including but not limited to:

- a. Avoiding the PGH 548 Transfers, the PGH 544 Transfers, the PGH 544 CF Transfers, and the MP Wealth Management Transfers as fraudulent transfers under sections 544 and 548 of the Bankruptcy Code and Chapter 24 of the Texas Business & Commerce Code;
- b. Permitting recovery of the PGH 548 Transfers, the PGH 544 Transfers, the PGH 544 CF Transfers and the MP Wealth Management Transfers, or the value of the PGH 548 Transfers, the PGH 544 Transfers, the PGH 544 CF Transfers and the MP Wealth Management Transfers, along with prejudgment and post-judgment interest;
- c. Permitting recovery of all costs and attorneys' fees incurred obtaining the relief sought; and
- d. Such other and further relief, at law or in equity, as the Court deems to be just, proper, and equitable.

Dated: December 7, 2022 Respectfully submitted,

PULMAN, CAPPUCCIO & PULLEN, LLP 2161 NW Military Highway, Suite 400 San Antonio, Texas 78213 (210) 222-9494 Telephone (210) 892-1610 Facsimile

By: /s/ Randall A. Pulman

Randall A. Pulman
Texas State Bar No. 16393250
rpulman@pulmanlaw.com
Anna K. MacFarlane
Texas State Bar No. 24116701
amacfarlane@pulmanlaw.com

ATTORNEYS FOR JOHN PATRICK LOWE, CHAPTER 7 TRUSTEE FOR DEEPROOT CAPITAL MANAGEMENT, LLC ET AL.

EXHIBIT A

EXHIBIT B

| | | Туре | Date | Num | | Name | Memo C | Cir | Split | Amount |
|------------------------------------|---------------------------------------|----------------|--------------------------|-----|--------------------------------------|----------------|-----------------------------|-----|--|------------------------|
| Policy Services | Commission Expense | Check | 03/24/2016 | | PGH Advisors LLC | | finders fee | _ | Corporate Checking 8461 | 9.500.00 |
| Policy Services | Commission Expense | Check | 05/03/2016 | | PGH Advisors LLC | | Spracker | | Corporate Checking 8461 | 5,200.00 |
| Policy Services | Commission Expense | Check | 06/16/2016 | | PGH Advisors LLC | | Marico Finder fee | | Corporate Checking 8461 | 5,000.00 |
| Policy Services | Commission Expense | Check | 06/29/2016 | | PGH Advisors LLC | | finder fee Hopman and Lopez | | Corporate Checking 8461 | 18,500.00 |
| Policy Services | Finders Fee | Check | 07/12/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 12,000.00 |
| Policy Services | Finders Fee | Check | 08/09/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 10,500.00 |
| Policy Services | Commission Expense | Check | 09/13/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 4,500.00 |
| Policy Services | Commission Expense | Check | 09/26/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Commission Expense | Check | 10/03/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 9,000.00 |
| Policy Services | Commission Expense | Check | 11/29/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 8,500.00 |
| Policy Services | Commission Expense | Check | 12/08/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 9,000.00 |
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| Policy Services | Commission Expense | Check | 12/14/2016 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 9,000.00 |
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| Policy Services | Commission Expense | Check | 01/05/2017 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 9,000.00 |
| Policy Services | Commission Expense | Check | 01/17/2017 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 7,500.00 |
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| Policy Services Policy Services | Commission Expense | Check | 06/08/2017 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 35.000.00 |
| Policy Services | Commission Expense | Check | 08/02/2017 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Commission Expense | Check | 08/28/2017 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 55.000.00 |
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| Policy Services | Finders Fee | Check | 03/21/2018 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Finders Fee | Check | 04/02/2018 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 04/04/2018 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 12,000.00 |
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| Policy Services Policy Services | Finders Fee Finders Fee | Check | 08/01/2018 | | PGH Advisors LLC PGH Advisors LLC | | | | Corporate Checking 8461 Corporate Checking 8461 | 9,500.00 |
| Policy Services Policy Services | Finders Fee | Check | 08/07/2018 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 8 000 00 |
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| Policy Services | Finders Fee Finders Fee | Check | 07/09/2019 | | PGH Advisors LLC PGH Advisors LLC | | | | Corporate Checking 8461 | 8,000.00 |
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| Policy Services Policy Services | Finders Fee Finders Fee | Check | 10/25/2019 | | PGH Advisors LLC PGH Advisors LLC | | Arnold | | Corporate Checking 8461 Corporate Checking 8461 | 10,500.00 |
| Policy Services Policy Services | Finders Fee | Check | 10/25/2019 | | PGH Advisors LLC | | Heyer | | Corporate Checking 8461 | 9,000.00 |
| Policy Services | Finders Fee | Check | 02/10/2020 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 3 750 00 |
| Policy Services | Finders Fee | Check | 02/14/2020 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 300.00 |
| Policy Services | Finders Fee | Check | 02/14/2020 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Finders Fee | Check | 03/16/2020 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 03/16/2020 | | PGH Advisors LLC | | | | Corporate Checking 8461 | 1,561.00 |
| | | | | | PGH Advisors 544 T | ransfers Total | | | | \$776,634.51 |

EXHIBIT C

21-51523-mmp Doc#220 Filed 12/ติกู/ครั้งในโดก เป็นโดก เมื่อใน วินุคน 21:36:18 Main Document Pg 28 All **อโก43**ons

| | | Туре | Date Num | Name | Memo | Clr | Split | Amount |
|-----------------|-------------|-------|------------|----------------------------|--------|-----|-------------------------|--------------|
| Policy Services | Finders Fee | Check | 12/18/2017 | PGH Advisors LLC | hopman | _ | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 12/18/2017 | PGH Advisors LLC | | | Corporate Checking 8461 | 15,000.00 |
| Policy Services | Finders Fee | Check | 12/18/2017 | PGH Advisors LLC | | | Corporate Checking 8461 | 9,000.00 |
| Policy Services | Finders Fee | Check | 01/12/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 3,500.00 |
| Policy Services | Finders Fee | Check | 02/05/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 44,000.00 |
| Policy Services | Finders Fee | Check | 02/13/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 13,000.00 |
| Policy Services | Finders Fee | Check | 02/21/2018 | PGH Advisors LLC | | | Sweep Account 8487 | 13,030.00 |
| Policy Services | Finders Fee | Check | 03/08/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Finders Fee | Check | 03/21/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 7,000.00 |
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| Policy Services | Finders Fee | Check | 09/25/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 09/27/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 6,500.00 |
| Policy Services | Finders Fee | Check | 11/15/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 10,000.00 |
| Policy Services | Finders Fee | Check | 11/15/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 6,500.00 |
| Policy Services | Finders Fee | Check | 11/15/2018 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 01/15/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Finders Fee | Check | 01/17/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 01/28/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 18,000.00 |
| Policy Services | Finders Fee | Check | 01/31/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 28,000.00 |
| Policy Services | Finders Fee | Check | 03/25/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 04/25/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 04/29/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 10,500.00 |
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| Policy Services | Finders Fee | Check | 07/01/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 34,300.00 |
| Policy Services | Finders Fee | Check | 07/09/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 07/24/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 10,500.00 |
| Policy Services | Finders Fee | Check | 08/01/2019 | PGH Advisors LLC | | | Corporate Checking 8461 | 10,500.00 |
| Policy Services | Finders Fee | Check | 10/25/2019 | PGH Advisors LLC | Arnold | | Corporate Checking 8461 | 9,000.00 |
| Policy Services | Finders Fee | Check | 10/30/2019 | PGH Advisors LLC | Heyer | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 02/10/2020 | PGH Advisors LLC | | | Corporate Checking 8461 | 3,750.00 |
| Policy Services | Finders Fee | Check | 02/14/2020 | PGH Advisors LLC | | | Corporate Checking 8461 | 300.00 |
| Policy Services | Finders Fee | Check | 02/14/2020 | PGH Advisors LLC | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Finders Fee | Check | 03/16/2020 | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 03/16/2020 | PGH Advisors LLC | | | Corporate Checking 8461 | 1,561.00 |
| | | | | PGH 544 CF Transfers Total | | | | \$452,084.51 |

EXHIBIT D

21-51523-mmp Doc#220 Filed 12/97/23 Policy Services, Inc. Policy S

| | | Type | Date | Num | Name | Memo | Clr | Split | Amount |
|-----------------|-------------|-------|------------|-----|-------------------------|------|-----|-------------------------|-------------|
| Policy Services | Finders Fee | Check | 02/10/2020 | | PGH Advisors LLC | | | Corporate Checking 8461 | 3,750.00 |
| Policy Services | Finders Fee | Check | 02/14/2020 | | PGH Advisors LLC | | | Corporate Checking 8461 | 300.00 |
| Policy Services | Finders Fee | Check | 02/14/2020 | | PGH Advisors LLC | | | Corporate Checking 8461 | 7,000.00 |
| Policy Services | Finders Fee | Check | 03/16/2020 | | PGH Advisors LLC | | | Corporate Checking 8461 | 8,000.00 |
| Policy Services | Finders Fee | Check | 03/16/2020 | | PGH Advisors LLC | | | Corporate Checking 8461 | 1,561.00 |
| | | | | | PGH 548 Transfers Total | | | | \$20,611.00 |

EXHIBIT E

3:49 PM 07/25/22 Accrual Basis

21-51523-mmp Doc#220 Filed 12/07/20cy Sention Detail By Account All Transactions

| | | Type | Date | Num | Name | Memo | Clr | Split | Amount |
|-----------------|-------------|-------|------------|-----|--------------------------------|------|-----|-------------------------|-----------|
| Policy Services | Finders Fee | Check | 07/22/2020 | | MP Wealth Management LLC | | | Corporate Checking 8461 | 21,500.00 |
| Policy Services | Finders Fee | Check | 08/19/2020 | | MP Wealth Management LLC | | | Corporate Checking 8461 | 9,000.00 |
| | | | | | MP Wealth Management LLC Total | | | | 30,500.00 |

EXHIBIT F

eCorp

ENTITY INFORMATION

Search Date and Time: 10/19/2022 7:42:58 AM

Entity Details

Entity Name: PGH ADVISORS LLC Entity ID: L16517107

Entity Type: Domestic LLC Entity Status: Active

Formation Date: 1/12/2011 Reason for Status: In Good Standing

Approval Date: 1/14/2011 Status Date:

Original Incorporation 1/12/2011 Life Period: Perpetual

Date

Business Type: Finance and Insurance Last Annual Report

Filed:

Domicile State: Arizona Annual Report Due

Date:

Years Due:

Original Publish Date:

Statutory Agent Information

Name: PAMELA HOPMAN Appointed Status: Active

Attention:

Address: 3561 E SUNRISE DR STE 131, TUCSON, AZ 85718,

USA

Agent Last Updated: 4/21/2021 E-mail:

Attention: Mailing Address: 3561 E SUNRISE DR

STE 131, TUCSON, AZ

85718, USA

County: Pima

Principal Information

Title Name Attention Address Taking Updated

Office

Privacy Policy ☐ Contact Us

| Arizona Corporations Commission | | | | | | |
|---------------------------------|---------|----------------|--------------------|----------|---------------|-------|
| ¹ 21-51523-mmp | Doc#220 | Filed 12/07/22 | Entered 12/07/22 2 | 21:36:18 | Main Document | Pa 35 |

| Manager | PAMELA HOPMAN | Of443 E FORT LOWELL RD # 103, TUCSON, AZ, 85716, Pima County, USA | 1/12/2011 | 4/21/2021 |
|---------|--|---|-----------|-----------|
| Member | Trustee of The Hopman Family Trust, dated 02/27/2020 | 4901 N Sabino Valley Place, TUCSON, AZ, 85750, Pima County, USA | 2/27/2020 | 4/21/2021 |

Page 1 of 1, records 1 to 2 of 2

| Address | ② |
|---------|----------|
|---------|----------|

Attention: Address: 3561 E SUNRISE DR STE 131,

TUCSON, AZ, 85718, USA

County: Pima

Last Updated: 1/12/2011

Entity Principal Office Address

Attention: Address: County: Last Updated:

EXHIBIT G

ENTITY INFORMATION

Search Date and Time: 10/19/2022 7:48:18 AM

Entity Details

Entity Name: THE HOPMANGROUP, LLC Entity ID: L15743392

Entity Type: Domestic LLC Entity Status: Active

Formation Date: 1/4/2010 Reason for Status: In Good Standing

Approval Date: 1/13/2010 Status Date:

Original Incorporation 1/4/2010 Life Period: Perpetual

Date:

Business Type: Finance and Insurance Last Annual Report

Filed:

Domicile State: Arizona Annual Report Due

Date:

Years Due:

Original Publish Date: 3/2/2010

Statutory Agent Information

Name: PAMELA HOPMAN Appointed Status: Active

Attention:

Address: 6969 E Sunrise Drive #100, TUCSON, AZ 85750, USA

Agent Last Updated: 5/26/2022 E-mail:

Attention: Mailing Address: 6969 E Sunrise Drive

#100, TUCSON, AZ

85750, USA

County: Pima

Principal Information

Title Name Attention Address Taking Updated
Office

Privacy Policy ☐ Contact Us

Arizona Corporations Commission 21-51523-mmp Doc#220 Filed 12/07/22 Entered 12/07/22 21:36:18 Main Document Pg 38

 Member
 Family Trust, dated
 OPIASe, TUCSON, AZ, 85750, 02/27/2021
 2/27/2021
 4/21/2021

 Pima County, USA
 Pima County, USA

Page 1 of 1, records 1 to 1 of 1

Address (2)

Attention: Address: 6969 E Sunrise Drive #100,

TUCSON, AZ, 85750, USA

County: Pima

Last Updated:

5/26/2022

Entity Principal Office Address

Attention: Address:

County:

Last Updated:

EXHIBIT H

eCorp

ENTITY INFORMATION

Search Date and Time: 10/20/2022 8:51:53 AM

Entity Details

Entity Name: MP WEALTH MANAGEMENT LLC Entity ID: L20747461

Entity Type: Domestic LLC Entity Status: Active

Formation Date: 3/9/2016 Reason for Status: In Good Standing

Approval Date: 3/11/2016 Status Date:

Original Incorporation 3/9/2016 Life Period: Perpetual

Date:

Business Type: Finance and Insurance Last Annual Report

Filed:

Domicile State: Arizona Annual Report Due

Date:

Years Due:

Original Publish Date:

Statutory Agent Information

Name: PAMELA HOPMAN Appointed Status: Active

Attention:

Address: 3561 E SUNRISE DR , TUCSON, AZ 85718, USA

Agent Last Updated: 4/21/2021 E-mail:

Attention: Mailing Address: 3561 E SUNRISE DR,

TUCSON, AZ 85718,

USA

County: Pima

Principal Information

Title Name Attention Address Taking Updated
Office

Privacy Policy ☐ Contact Us

| Arizona C | orporations Cor 21-5152 | mmission 23-mmp Doc#220 Filed : | 12/07/22 E | Entered 12/07/22 21:36:18 | Main Docum | ent Pg 41 |
|-----------|----------------------------|------------------------------------|------------|---|------------|-----------|
| | Member | MARICO TIPPETT | | of o 4 ,3Tucson, AZ, 85704, | 3/9/2016 | 4/21/2021 |
| | | | | Pima County, USA | | |
| | | Trustee of The Hopman | | 4901 N Sabino Valley | | |
| | Member | Family Trust, dated | | Place, TUCSON, AZ, 85750, | 2/27/2020 | 4/21/2021 |
| | | 02/27/2020 | | Pima County, USA | | |

Page 1 of 1, records 1 to 2 of 2

| Address 🕝 | | | |
|------------------|---|--------------|-------------------------|
| Attention: | Address: 3561 E SUNRISE DR STE 131, TUCSON, AZ, 85718, USA | County: Pima | Last Updated: 3/10/2016 |
| Entity Principal | Office Address | | |
| Attention: | Address: | County: | Last Updated: |

FORM 104 (10/06)

| ADVERSARY PROCEEDING COVER SI (Instructions on Reverse) | ÆET | ADVERSARY PROCEEDING NUMBER (Court Use Only) | | |
|--|--|---|--|--|
| PLAINTIFFS | DEFENDANT | rs | | |
| John Patrick Lowe, Chapter 7 Trustee | Pamela Hopr | man, PGH Advisors, LLC, et al. | | |
| ATTORNEYS (Firm Name, Address, and Telephone No.) Pulman Cappuccio & Pullen, LLP (210) 222-9494 2161 NW Military Hwy #400, San Antonio, TX 78213 | ATTORNEYS | S (If Known) | | |
| PARTY (Check One Box Only) □ Debtor □ U.S. Trustee/Bankruptcy Admin □ Creditor □ Other ✓ Trustee | PARTY (Chec □ Debtor □ Creditor □ Trustee | k One Box Only) □ U.S. Trustee/Bankruptcy Admin Ø Other | | |
| CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAU Trustee seeks recovery of fraudulent transfers under 11 US attorneys' fees. | C Sections 544, | | | |
| NATURE (Number up to five (5) boxes starting with lead cause of action a | COF SUIT s 1, first alternative cau | ise as 2, second alternative cause as 3, etc.) | | |
| FRBP 7001(1) — Recovery of Money/Property 11-Recovery of money/property - §542 turnover of property 12-Recovery of money/property - §548 fraudulent transfer 13-Recovery of money/property - other - Section 544 Section 550 FRBP 7001(2) — Validity, Priority or Extent of Lien 21-Validity, priority or extent of lien or other interest in property FRBP 7001(3) — Approval of Sale of Property 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(4) — Objection/Revocation of Discharge 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(5) — Revocation of Confirmation 51-Revocation of confirmation FRBP 7001(6) — Dischargeability 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column) | FRBP 7001(6) – Dischargeability (continued) 61-Dischargeability - §523(a)(5), domestic support 68-Dischargeability - §523(a)(6), willful and malicious injury 63-Dischargeability - §523(a)(8), student loan 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) 65-Dischargeability - other FRBP 7001(7) – Injunctive Relief 71-Injunctive relief – reinstatement of stay 72-Injunctive relief – other FRBP 7001(8) Subordination of Claim or Interest 81-Subordination of claim or interest FRBP 7001(9) Declaratory Judgment 91-Declaratory judgment FRBP 7001(10) Determination of Removed Action 01-Determination of removed claim or cause Other SS-SIPA Case – 15 U.S.C. §§78aaa et.seq. 3 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case) - TUFTA | | | |
| ☐ Check if this case involves a substantive issue of state law | | is asserted to be a class action under FRCP 23 | | |
| ☐ Check if a jury trial is demanded in complaint | Demand \$807, | 134.51 | | |
| Other Relief Sought Attorneys' fees | | | | |

FORM 104 (10/06), Page 2

| BANKRUPTCY | CASE IN W | HICH THIS ADVERS | ARY) | PROCEEDING ARISES | |
|--|---------------------|----------------------|--------------------------------|--------------------------------------|---|
| NAME OF DEBTOR deeproot Capital Managemer | nt LLC et al | I. (JT. Admin.) | | BANKRUPTCY CASE NO. LEAD 21-51523 | |
| DISTRICT IN WHICH CASE IS PENDIN Western TX | DIVISION WED STITES | | NAME OF JUDGE Michael M Parker | | |
| I | RELATED AI | OVERSARY PROCEE | DING | (IF ANY) | |
| PLAINTIFF | DEFENDANT | | ADV | DVERSARY PROCEEDING NO. | |
| DISTRICT IN WHICH ADVERSARY IS | PENDING | DIVISIONAL OFFICE | <u> </u> | NAME OF JUDGE | - |
| SIGNATURE OF ATTORNEY (OR PLA | | E OF ATTORNEY (OR PL | AINTI | IFF) | |
| 12/07/2022 | | ll A Pulman | | , | |

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 104, the Adversary Proceeding Cover Sheet, if it is required by the court. In some courts, the cover sheet is not required when the adversary proceeding is filed electronically through the court's Case Management/Electronic Case Files (CM/ECF) system. (CM/ECF captures the information on Form 104 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and the defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and in the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.